

Part 3. Territorial Applicability and General Rules.

§ 25-1-301. Territorial applicability; parties' power to choose applicable law.

(a) Except as otherwise provided in this section, when a transaction bears a reasonable relation to this State and also to another state or nation the parties may agree that the law either of this State or of the other state or nation shall govern their rights and duties. Except as otherwise provided in subsection (c) of this section, the parties to a business contract as defined in G.S. 1G-2(1) may agree in the business contract that North Carolina law shall govern their rights and duties in whole or in part, pursuant to G.S. 1G-3.

(b) In the absence of an agreement effective under subsection (a) of this section, and except as provided in subsection (c) of this section, this Chapter applies to transactions bearing an appropriate relation to this State.

(c) If one of the following provisions of this Chapter specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the specified law:

- (1) G.S. 25-2-402;
- (2) G.S. 25-2A-105 and G.S. 25-2A-106;
- (3) G.S. 25-4-102;
- (4) G.S. 25-4A-507;
- (5) G.S. 25-5-116;
- (6) G.S. 25-8-110;
- (7) G.S. 25-9-301 through G.S. 25-9-307. (1965, c. 700, s. 1; 1975, c. 862, s. 1; 1993, c. 157, s. 2; 1997-181, s. 17; 1999-73, s. 2; 2000-169, s. 3; 2004-190, s. 2; 2006-112, s. 1; 2017-123, s. 2.)